

James A. Patten (I.D. No. 1191)
PATTEN, PETERMAN, BEKKEDAH & GREEN, P.L.L.C.
2817 Second Ave. North, Suite 300
Billings, MT 59101
Telephone (406) 252-8500
Facsimile: (406) 294-9500
Email:cmartinson@ppbglaw.com

Attorney for Steve's Auto Sales, Inc.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MONTANA

IN RE:) Case No. 06-60855
)
INCREDIBLE AUTO SALES, LLC)
)
)
Debtor.)
)
-----)

COMES NOW STEVE'S AUTO SALES, INC. by and through its attorney James A. Patten who provides the Court with the following status report regarding the sale or disposition of the "Auto Auction" vehicles.

DISPUTE AND STATUS OF DISPUTE

Incredible Auto Sales, LLC ("Incredible") obtained possession of various motor vehicles through transactions with the Auto Auction of Billings. Incredible has not paid the purchase price for some of the vehicles as its checks for payment of such vehicles were returned for insufficient funds or it did not even tender any payment. Nevertheless, Incredible obtained possession of the vehicles prepetition.

The Auto Auction of Billings and the South Seattle Auto Auction have each filed adversary complaints, 06-00119 and 06-00120 to reclaim the vehicles from Incredible. Contemporaneous with

this status report, Steve's Auto Sales is filing a Motion for Relief from the Automatic Stay through which it seeks to recover possession of certain vehicles. The vehicles for which Steve's Auto Sales seeks to recover are those vehicles for which no purchase was ever tendered and which title to said vehicles continues to be held in the name of Steve's Auto Sales.

Preliminary injunctions have been issued in both the Auto Auction of Billings and the South Seattle Auto Auction adversary proceedings precluding any sale or disposition of vehicles subject to the reclamation complaints.

This Court has urged the parties to agree to an immediate disposition of the cars with the proceeds held pending a final ruling in the reclamation claims. On November 14, 2006, this Court was advised by the undersigned that Steve's Auto Sales, Auto Auction of Billings, and the South Seattle Auto Auction would be filing a joint motion to sell the vehicles through the Auto Auction of Billings.

STATUS OF JOINT MOTION

Subsequent to the representation that Steve's Auto Auction would be joining the Auto Auction of Billings and South Seattle Auto Auction, the undersigned spoke with the proprietor of Steve's Auto Sales, Steve Marks, who advised that the cars could not be sold through the Auto Auction if the proceeds were to be held since he would be unable to provide a clean title to the vehicles as is otherwise required by the Auto Auction. Steve's Auto Sales has financed its purchase of the vehicles through its flooring lenders and cannot obtain a release of the lenders' liens without payment. Steve's Auto Sales promptly informed both Auto Auctions that it would not be joining a motion to sell.

Because of the complications raised by the existing liens on Steve's Auto Sales' cars, Steve's

Auto Sales suggests that it is more efficient to promptly resolve either or both reclamation claims and the motion for relief from the automatic stay rather than liquidating the cars and holding the sale proceeds.

DATED this 16th day of November, 2006.

PATTEN, PETERMAN, BEKKEDAHL & GREEN, P.L.L.C.
2817 Second Ave. North, Suite 300
Billings, Montana 59101

By: */s/ J.A. Patten*

JAMES A. PATTEN
Attorney for Plaintiff